

Canada

We invest in changing lives



European Bank
for Reconstruction and Development

2014

Canada is a founding member of the EBRD, with a 3.4 per cent capital share and a representative on the Board of Directors. Operating from central Europe to Central Asia, the Western Balkans and the southern and eastern Mediterranean (SEMED) region, the EBRD is owned by 64 countries and two intergovernmental institutions. Working together with the private sector, the Bank invests in projects, engages in policy dialogue and provides technical assistance that builds open-market economies.

Making a difference

Canada has helped to improve people's lives and environments in the EBRD's countries of operations through generous funding for a wide range of projects. The government of Canada was a major donor to the EBRD, contributing a total of €42.5 million since 1992 and providing fully untied funds between 2007 and 2012. Its priorities were poverty alleviation through private sector development, environmental investments and good governance. The Europe Regional Program, through which Canada provided most of its support to the EBRD, closed in December 2012.

Canadian funds supported projects for the reinforcement of legal, financial and institutional infrastructures, with a particular focus on corporate governance and capacity building assignments.

In recent years Canada has focused on Ukraine, as well as participating in multi-donor initiatives such as the Early Transition Countries (ETC) Fund and the European-Western Balkans Joint Fund, and representing three of the four SEMED countries (Morocco, Jordan and Tunisia) on the EBRD's Board of Directors.

As a supporter of the EBRD's Small Business Support (SBS), Canada has provided over €2.4 million of funding for 90 projects in 11 countries. These projects helped small and medium-sized enterprises access business advice through local consultants and international industry experts.

Canada has contributed over €600,000 to support 60 projects within the Women in Business Programme in Armenia, Azerbaijan and Georgia. In addition, Canada has financed workshops, seminars and training courses for women entrepreneurs, raising the visibility of female successes. Helping women access microfinance institutions was also a key focus area.

Investing together

Canada is an important source of foreign direct investment in the EBRD's countries of operations. The value of joint Canada-EBRD investment stood at €3.99 billion as of January 2014. EBRD finance accounted for €2.81 billion of this and Canadian investment accounted for €1.18 billion.

Since the EBRD starting operating in 1991, Canada-EBRD investment has been highest in Russia at €1.13 billion, followed by Romania at €510 million and Ukraine at €320 million. Broken down by sector, joint Canada-EBRD investment has been €1.65 billion in energy, €1.65 billion in industry, commerce and agribusiness, €546 million in infrastructure and €142 million in financial institutions.

Canadian banks are also involved in the Trade Facilitation Programme (TFP), through which the EBRD guarantees the payment of trade finance instruments (such as letters of credit or payment guarantees) issued by banks in EBRD countries of operations to foreign confirming banks. Since the start of the Programme in 1999, the EBRD has supported more than 15,500 transactions worth more than €9 billion, including 37 export and import transactions of Canadian companies totalling €24.5 million. Some 106 issuing banks in 23 countries of operations participate in the Programme, together with over 800 foreign confirming banks and bank branches, of which nine are Canadian.

In 2013 Canadian consultants won 55 consultancy contracts totalling over €1.6 million, including 32 contracts worth €577,000 awarded by the EBRD's Small Business Support for the provision of management and specialist industry advice. Other areas of expertise were in municipal infrastructure, economic reform and sustainable energy.

At a glance

Donor funds supporting EBRD operations
€42.5 million

Capital share
3.4%

Canada-EBRD investments
€3.99 billion

Data as at January 2014

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Supporting sustainable gold-mining industries in Central Asia

The EBRD and Centerra Gold Inc. – a Canadian-based gold-mining company and the largest foreign investor in the gold sector in Central Asia – have joined forces to develop the company's operations in the Kyrgyz Republic and Mongolia. The EBRD is providing a three-year revolving corporate debt facility to Centerra of up to US\$ 150 million (€112.5 million) to finance the company's development and potential acquisition of mining assets in the region.

With the EBRD's support, Centerra is introducing new mining technologies and is supporting sustainable mining development initiatives around its areas of operation.

The investment promotes the sustainable development of the mining industry, supporting the Extractive Industries Transparency Initiative (EITI) implementation in the Kyrgyz Republic. The EITI is a global initiative for ensuring that proceeds of mining and energy industries are used for broader economic development, benefiting small and medium-sized enterprises operating in the economic areas of the mines.

The project is also promoting the highest possible environmental, labour, health and safety standards. At the Mongolian operations, a due diligence project identified a number of areas for potential improvement, resulting in a strengthening of the corporate management capacity, upgrades to waste management protocols and the implementation of a stakeholder engagement practice.



Advancing Ukraine's grain sector through policy dialogue

Grain is the backbone of Ukraine's agricultural economy. Rich soils, along with beneficial climatic and geographic conditions, allow Ukraine to supply large quantities of wheat, barley and corn to international markets. But the sector's economic potential is hampered by the lack of adequate policies to tackle a wide range of problems. These include state interventions, a lack of financing for farms, export restrictions, price controls and tariff measures.

The EBRD has been actively involved in developing the Ukrainian grain sector. Together with the US Agency for International Development and funds provided by the Netherlands, the EBRD has initiated an institutional policy for the creation of a proper legal framework for its Grain Warehouse Receipt Programme, providing traders and producers with loans for the temporary storage of agricultural commodities. In cooperation with the Food and Agriculture Organization (FAO), the Bank is broadening its support to the Ukrainian grain sector by further encouraging the government of Ukraine, along with private stakeholders, to engage in policy discussions so as to create a predictable and efficient regulatory environment to stimulate development in the sector.

The government of Canada has been encouraging this approach by financing a comprehensive review of the sector – based on the analysis of wheat, barley and corn markets – to identify major constraints and propose applicable policy options. Issues identified as policy reform priorities were discussed in a workshop involving Ukrainian government agencies, the grain trading industry, farm associations and non-governmental organisations.

The above initiatives work to strengthen public-private dialogue and to help improve policy-making processes. These measures will ultimately help create a better business climate for the Ukrainian grain sector.